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Congress of the United States
House of Representatives

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March 22, 2020

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
The Capitol
Washington, DC 20515

The Honorable Kevin McCarthy
Republican Leader
United States House of Representatives
The Capitol
Washington, DC 20515

Dear Speaker Pelosi and Leader McCarthy:

In recent weeks, Congress has provided unprecedented assistance to American families hurt by the recent economic downturn while also investing significant resources to support the medical community's ongoing efforts to combat the spread of the coronavirus. These steps will make a real difference but there is still far more that we must do to reverse the health and economic consequences of this outbreak.

Main Street small businesses form the backbone of the New Hampshire economy, representing 99 percent of Granite State companies and employing half of our workforce. As you work to develop a third package to address the coronavirus, I write to express my strong belief that this legislation should prioritize the urgent needs of these businesses, which in New Hampshire and across the country have been hit hard by the current health crisis.

Specifically, to be effective in blunting the most pernicious effects of the coronavirus on Main Street businesses and workers, I believe the upcoming legislation should include the following:

1. **Measures to provide much-needed liquidity and debt relief to small businesses** – Small businesses in my state need a direct cash injection to help keep their doors open and meet their ongoing obligations. Consistent with legislation I am introducing in the House, at least \$250 billion in Economic Injury Disaster Loans (EIDL) should be provided to affected businesses on the most favorable possible terms, including a zero percent interest rate. In addition, qualifying businesses should be eligible to receive an advance on any loan of up to \$15,000 that need not be repaid. Further, the Small Business

Administration (SBA) should be empowered to forgive debt and defer payments on existing federal loans.

2. **New policies to help workers keep their health coverage** – To ensure that workers can maintain affordable health insurance coverage when an employer is forced to close temporarily, Congress should extend Affordable Care Act exchange subsidies to individuals enrolled in COBRA or equivalent coverage options. The legislation should also include safeguards to prevent Americans from being forced to repay health insurance subsidies as a result of income fluctuations over the next year.
3. **New tax incentives to help prevent additional layoffs** – New Hampshire employers want to do right by their workers but they need our help to retain staff and avoid painful layoffs. The Employee Retention Tax Credit, which has been implemented by Congress in other emergency situations, would provide a temporary retention credit for businesses that continue to pay wages to their employees despite being shuttered because of the virus. This is a sensible step that could help to stem job losses until economic conditions improve. I also support changes to current tax law that would make it easier for small businesses to write off investments in improvements in order to reduce their tax liability, including by making changes to Section 179 and by correcting the so-called ‘Retail Glitch.’”
4. **Support for non-profits on the frontlines of this crisis** – Charities and other non-profits, both in New Hampshire and across the country, are playing a critical role in the fight against the coronavirus. Unfortunately, periods of economic difficulty also tend to coincide with a reduction in charitable giving. To ensure that nonprofits have the resources they need to continue their indispensable work in our communities, Congress should establish a temporary refundable charitable tax credit to encourage contributions to these organizations.

Thank you for your attention to these requests. Again, I strongly believe a Main Street rescue plan should be at the center of the next economic stimulus bill that the House considers. At this perilous moment for our country, the American people are trusting us to put politics aside and to act boldly in the face of an unprecedented health crisis. We can’t let them down.

Sincerely,

A handwritten signature in blue ink that reads "Chris Pappas". The signature is written in a cursive, flowing style.

Chris Pappas
Member of Congress